

## Lisa Anglin

---

**From:** Grady Richardson <grady@ggrlawoffice.com>  
**Sent:** Thursday, April 11, 2019 4:24 PM  
**To:** Lisa Anglin; Hiram Marziano  
**Subject:** FW: Town of Sunset Beach // In Re "Potential Conflict of Interest"  
**Attachments:** Public Records Request - Grant Conflict of Interest Documents.pdf; 17-05-01-Town Council Meeting Minutes.pdf; 19-03-10-Cerrato Letter to the State on Grant and Alleged Conflict of Interest complaints.pdf; Conflicts\_of\_Interest\_and\_Subcontractors.pdf; County and Municipal Government in NC Chapter 07\_Ethics\_1-1.pdf

Lisa and Hiram,

See below and the attached sent to Dr. Cordeiro.

Sincerely,

Grady

---

**From:** Grady Richardson <grady@ggrlawoffice.com>  
**Sent:** Thursday, April 11, 2019 4:21 PM  
**To:** 'coley.cordeiro@ncdenr.gov' <coley.cordeiro@ncdenr.gov>  
**Cc:** susan@ggrlawoffice.com  
**Subject:** Town of Sunset Beach // In Re "Potential Conflict of Interest"

Dear Dr. Cordeiro:

Good afternoon.

I am the town attorney for the Town of Sunset Beach ("Town"). I have served as the Town's attorney since the Fall of 2014.

I am in receipt of the attached documents provided to the Town on or about 3 April 2019 in response to the Town's public records request pertaining to your email dated 11 March 2019, which I have pasted below.

I have researched and dealt with allegations of potential conflicts as alleged in the attached compilation nothing short of three separate occasions. One such documented occasion was at the Town's Council meeting of May 1, 2017 (reflected in the minutes from that meeting, which are also attached).

The complainants alleging that an impermissible conflict of interest exists base their assertions on two primary grounds, *to wit*: first, one current Town Council member – John Corbett – has property adjacent to one of the navigable streams that might be dredged; and, second, that an unnamed developer is believed to have strong political connections and influence and that said developer owns properties that would benefit from the dredging, if the dredging occurs. Most of the allegations are summed up in Town Councilor Cerrato's attached letter dated 10 March 2019.

Mr. Cerrato's allegation in Paragraph 1 of his letter is irrelevant and immaterial. Mr. Cerrato's assertion that the dredging was allegedly proposed by a private developer to gain deep water access does not give rise to any impermissible conflict on behalf of the Town and its Council.

Mr. Cerrato's allegation in Paragraph 2 of his letter of a former alleged encounter in January 2016 (over 3 years ago) that a former employee of the Town who served as the local CAMA representative supposedly had an "appearance" of a conflict of interest with an unnamed developer is, again, irrelevant and immaterial and does not give rise to any impermissible conflict on behalf of the Town and its Council. Moreover, the former employee cannot (and could not when he/she was a Town employee) vote on any dredging decisions the Town may wish to pursue.

Mr. Cerrato's allegation in Paragraph 3 of his letter has nothing to do with any assertion of any conflict of interest.

Mr. Cerrato's allegation in Paragraph 4 of his letter is about a former mayor of the Town – Ron Watts – and Mr. Watts' alleged, general "arrangements" with the developer. Again, these allegations do not touch and concern the Town and its current Council and the mayor only votes in the event of a tie. Mr. Cerrato's assertions in this paragraph are, again, irrelevant and immaterial and do not give rise to any impermissible conflict on behalf of the Town and its Council.

Mr. Cerrato's allegation in Paragraph 5 of his letter is about two unnamed Town council members. I believe these council members to be former councilwoman Carol Scott and current councilor, John Corbett. This appears to be the crux of the complainants' "conflict" assertions. Essentially, the complainants contend that if a councilman or councilwoman own property adjacent to any area that may be dredged, it necessarily means they have an impermissible conflict. The complainants assert this notwithstanding the fact that (1) there are hundreds of properties that may be adjacent to the proposed dredging areas; (2) all members of the public that wish to go boating will benefit from the dredging; and, (3) no dredging has actually been approved and is in the process of being implemented. The Town is only in the study and analysis phase to consider the Town's options of whether to do any dredging. I have reviewed this very issue multiple times. The law, in my opinion, is very clear – that on the continuum of constantly evaluating whether any impermissible conflict is present so as to preclude a council member's affirmative obligation to vote on matters of Town business, no such impermissible conflict exists for Mr. Corbett. When Ms. Scott was on the Town Council, I also did not believe any impermissible conflict existed for her. Clearly, given that she is no longer on the Council, any contention of a conflict by her simply being one of hundreds of property owners adjacent to possible dredging areas has been rendered moot.

Each Town Council member has an affirmative duty to vote absent a direct financial benefit and/or conflict. For the complainants to assert that Mr. Corbett or any council member may benefit – indirectly – from dredging adjacent to their property and that aspect alone gives rise to them needing to recuse themselves is akin to saying that if Council approves paving and repairing a public road that runs by their properties, they should recuse themselves from voting on it. Under this strained view of an alleged conflict of interest, very little, if any, Town business could ever be done by any of the Council members because they would likely benefit, directly or indirectly, by all Town action. I attach for you a couple of articles on the "continuum" aspect, conflicts of interest analysis, and the primary duty to vote by Council members.

Remaining items numbered 6 and 7 in Mr. Cerrato's letter do not touch and concern any allegations of impermissible conflict of interests.

If you or anyone with your department wish to discuss this with me, please let me know. I will be out of my office on secured leave on a family Spring Break trip from April 13-18. In my absence, if you need anything, attorney Susan Renton at my firm may be able to assist you.

With best regards, I remain

Very truly yours,

Grady

LAW OFFICES OF G. GRADY RICHARDSON, JR., P.C.  
Attorneys and Counselors at Law

N.C.S.B. 25508  
1908 Eastwood Road, Suite 224  
Lumina Station  
Wilmington, North Carolina 28403  
Telephone: 910.509.7166  
Facsimile: 910.509.7167  
Mobile: 910.471.3377  
Email: [grady@ggrlawoffice.com](mailto:grady@ggrlawoffice.com)

---

**From:** Cordeiro, Coley H [<mailto:coley.cordeiro@ncdenr.gov>]  
**Sent:** Monday, March 11, 2019 11:40 AM  
**To:** Lisa Anglin <[langlin@sunsetbeachnc.gov](mailto:langlin@sunsetbeachnc.gov)>  
**Subject:** Potential Conflict of Interest

Lisa,

DWR has been made aware of potential conflict of interest(s) that should be taken into consideration in reviewing the Sunset Beach Canal & Channel Dredging 2018 application. Please provide any information you may have on any potential conflict of interest(s). Thank you for your assistance and let me know if you have any questions.

Sincerely,

**Coley Cordeiro, Ph.D., GISP**  
**Coastal Infrastructure Projects Manager**  
Division of Water Resources  
NC Department of Environmental Quality  
919-707-9013 (office)  
[coley.cordeiro@ncdenr.gov](mailto:coley.cordeiro@ncdenr.gov)

1611 Mail Service Center  
Raleigh, NC 27699-1611



**From:** Richard Hilderman  
**To:** [Corley.cordeiro@ncdenr.gov](mailto:Corley.cordeiro@ncdenr.gov); Richard Hilderman  
**Cc:** [Whaley, Rex A](#); [Todd Miller](#); [Geoff Gisler](#); [Editor](#); [Gary Merritt](#); [Ted](#); [John Pagels](#); [Nina Marable](#)  
**Subject:** [External] Potential Conflict of Interest in Sunset Beach Pending Grant Proposal  
**Date:** Thursday, February 21, 2019 9:19:24 AM

**CAUTION:** External email. Do not click links or open attachments unless you verify. Send all suspicious email as an attachment to [report.spam@nc.gov](mailto:report.spam@nc.gov)

Dr. Cordeiro:

The Town of Sunset Beach currently has a Shallow Draft Navigational Channel Dredging grant proposal that you are in the process of reviewing for potential funding. There is a controversy within the town taxpayers and also among council members whether this dredging project should move forward.

Mr. John Corbett, a Sunset Beach council member, lives on Canal Bay Area and is a boater. Canal Bay is one of the canals in the grant proposal to be dredged. When submitting the grant application the Town Administrator signed a "No Conflict of Interest Certification" which is part of the grant proposal. This certification states in part: **The Town of Sunset Beach hereby certifies that, to the best of its knowledge and belief, there are no present or currently planned interests (financial, contractual, organizational, or otherwise relating to the work to be performed as part of the Sunset Beach Shallow Water Draft Navigation project that would create any actual or potential conflicts of interest (or apparent conflicts of interest) for any employees, contractors, subcontractors, designees or other entities or individuals involved in the Sunset Beach Shallow Draft Navigation project that would impinge on its ability to render impartial, technically sound, and objective assistance or advice or result in it being given an unfair competitive advantage.** Councilman Corbett is not only giving advice but is also involved in determining whether the dredging project should proceed. Can his advice and voting be interpreted as being impartial?

The "No Conflict of Interest Certification" statement also states: **The Town of Sunset Beach further certifies that it has and will continue to exercise due diligence in identifying and removing or mitigating, to the NC Department of Environmental Quality's satisfaction, any such conflict of interest (or apparent conflict of interest).** I don't know if the Town of Sunset Beach has informed the NC Department of Environmental Quality of Councilman Corbett's potential conflict of interest.

Richard Hilderman, Ph.D.



**From:** gmerr946  
**To:** Richard Hilderman; [Corley.cordeiro@ncdenr.gov](mailto:Corley.cordeiro@ncdenr.gov); Richard Hilderman  
**Cc:** [Whaley, Rex A](#); [Todd Miller](#); [Geoff Gisler](#); Editor; [Ted](#); [John Pagels](#); [Nina Marable](#)  
**Subject:** [External] RE: Potential Conflict of Interest in Sunset Beach Pending Grant Proposal  
**Date:** Thursday, February 21, 2019 9:26:47 AM

**CAUTION:** External email. Do not click links or open attachments unless you verify. Send all suspicious email as an attachment to [report\\_spam@nc.gov](mailto:report_spam@nc.gov)

Thanks Rich. Should this also go to the N.C School of Government?

Sent from my Verizon 4G LTE smartphone  
Gare Merritt  
336.829.0102

----- Original message -----

**From:** Richard Hilderman <[richardhilderman@gmail.com](mailto:richardhilderman@gmail.com)>  
**Date:** 2/21/19 9:18 AM (GMT-05:00)  
**To:** [Corley.cordeiro@ncdenr.gov](mailto:Corley.cordeiro@ncdenr.gov), Richard Hilderman <[doggenome@gmail.com](mailto:doggenome@gmail.com)>  
**Cc:** [Rex.Whaley@ncdenr.gov](mailto:Rex.Whaley@ncdenr.gov), [Todd Miller](mailto:Todd.Miller@ncdenr.gov) <[sounderkwawk@gmail.com](mailto:sounderkwawk@gmail.com)>, [Geoff Gisler](mailto:Geoff.Gisler@ncdenr.gov) <[ggisler@selcnc.org](mailto:ggisler@selcnc.org)>, Editor <[editor@brunswickbeacon.com](mailto:editor@brunswickbeacon.com)>, Gary Merritt <[gmerr946@aol.com](mailto:gmerr946@aol.com)>, [Ted](mailto:Ted@ewjanes@yahoo.com) <[ewjanes@yahoo.com](mailto:ewjanes@yahoo.com)>, [John Pagels](mailto:John.Pagels@vcu.edu) <[jpagels@vcu.edu](mailto:jpagels@vcu.edu)>, [Nina Marable](mailto:Nina.Marable@atmc.net) <[ninam@atmc.net](mailto:ninam@atmc.net)>  
**Subject:** Potential Conflict of Interest in Sunset Beach Pending Grant Proposal

Dr. Cordeiro:

The Town of Sunset Beach currently has a Shallow Draft Navigational Channel Dredging grant proposal that you are in the process of reviewing for potential funding. There is a controversy within the town taxpayers and also among council members whether this dredging project should move forward.

Mr. John Corbett, a Sunset Beach council member, lives on Canal Bay Area and is a boater. Canal Bay is one of the canals in the grant proposal to be dredged. When submitting the grant application the Town Administrator signed a "No Conflict of Interest Certification" which is part of the grant proposal. This certification states in part: **The Town of Sunset Beach hereby certifies that, to the best of its knowledge and belief, there are no present or currently planned interests (financial, contractual, organizational, or otherwise relating to the work to be performed as part of the Sunset Beach Shallow Water Draft Navigation project that would create any actual or potential conflicts of interest (or apparent conflicts of interest) for any employees, contractors, subcontractors, designees or other entities or individuals involved in the Sunset Beach Shallow Draft Navigation project that would impinge on its ability to render impartial, technically sound, and objective assistance or advice or result in it being given an unfair competitive**

**advantage.** Councilman Corbett is not only giving advice but is also involved in determining whether the dredging project should proceed. Can his advice and voting be interpreted as being impartial?

The "No Conflict of Interest Certification" statement also states: **The Town of Sunset Beach further certifies that it has and will continue to exercise due diligence in identifying and removing or mitigating, to the NC Department of Environmental Quality's satisfaction, any such conflict of interest (or apparent conflict of interest).** I don't know if the Town of Sunset Beach has informed the NC Department of Environmental Quality of Councilman Corbett's potential conflict of interest.

Richard Hilderman, Ph.D.

**From:** John Pagels  
**To:** Gary Merritt  
**Cc:** Richard Hilderman; [Corley.cordeiro@ncdenr.gov](mailto:Corley.cordeiro@ncdenr.gov); Richard Hilderman; Whaley, Rex A; Todd Miller; Geoff Gisler; Editor; Ted; Nina Marable  
**Subject:** [External] Re: Potential Conflict of Interest in Sunset Beach Pending Grant Proposal  
**Date:** Thursday, February 21, 2019 10:29:36 AM

**CAUTION:** External email. Do not click links or open attachments unless you verify. Send all suspicious email as an attachment to [report\\_spam@nc.gov](mailto:report_spam@nc.gov)

Thank you Richard. Are there any others/another on council with such strong interests in completion of the dredging who might have a conflict? I suppose if I had no environmental awareness, or care about costs to taxpayers, or care about source of money for a grant that would benefit so few, I could jump on the dredging bandwagon. Hmm.

John Pagels

On Thu, Feb 21, 2019, 9:26 AM gmerr946 <[gmerr946@aol.com](mailto:gmerr946@aol.com)> wrote:

Thanks Rich. Should this also go to the N.C School of Government?

Sent from my Verizon 4G LTE smartphone  
Gare Merritt  
336.829.0102

----- Original message -----

**From:** Richard Hilderman <[richardhilderman@gmail.com](mailto:richardhilderman@gmail.com)>  
**Date:** 2/21/19 9:18 AM (GMT-05:00)  
**To:** [Corley.cordeiro@ncdenr.gov](mailto:Corley.cordeiro@ncdenr.gov), Richard Hilderman <[doggenome@gmail.com](mailto:doggenome@gmail.com)>  
**Cc:** [Rex.Whaley@ncdenr.gov](mailto:Rex.Whaley@ncdenr.gov), Todd Miller <[souderkwawk@gmail.com](mailto:souderkwawk@gmail.com)>, Geoff Gisler <[ggisler@selcnc.org](mailto:ggisler@selcnc.org)>, Editor <[editor@brunswickbeacon.com](mailto:editor@brunswickbeacon.com)>, Gary Merritt <[gmerr946@aol.com](mailto:gmerr946@aol.com)>, Ted <[ewjanes@yahoo.com](mailto:ewjanes@yahoo.com)>, John Pagels <[jpagels@vcu.edu](mailto:jpagels@vcu.edu)>, Nina Marable <[ninam@atmc.net](mailto:ninam@atmc.net)>  
**Subject:** Potential Conflict of Interest in Sunset Beach Pending Grant Proposal

Dr. Cordeiro:

The Town of Sunset Beach currently has a Shallow Draft Navigational Channel Dredging grant proposal that you are in the process of reviewing for potential funding. There is a controversy within the town taxpayers and also among council members whether this dredging project should move forward.

Mr. John Corbett, a Sunset Beach council member, lives on Canal Bay Area and is a boater. Canal Bay is one of the canals in the grant proposal to be dredged. When submitting the grant application the Town Administrator signed a "No Conflict of Interest Certification" which is part of the grant proposal. This certification states in part: **The Town of Sunset Beach hereby certifies that, to the best of its knowledge and belief, there are no present or currently planned interests (financial, contractual, organizational, or**



otherwise relating to the work to be performed as part of the Sunset Beach Shallow Water Draft Navigation project that would create any actual or potential conflicts of interest (or apparent conflicts of interest) for any employees, contractors, subcontractors, designees or other entities or individuals involved in the Sunset Beach Shallow Draft Navigation project that would impinge on its ability to render impartial, technically sound, and objective assistance or advice or result in it being given an unfair competitive advantage. Councilman Corbett is not only giving advice but is also involved in determining whether the dredging project should proceed. Can his advice and voting be interpreted as being impartial?

The "No Conflict of Interest Certification" statement also states: **The Town of Sunset Beach further certifies that it has and will continue to exercise due diligence in identifying and removing or mitigating, to the NC Department of Environmental Quality's satisfaction, any such conflict of interest (or apparent conflict of interest).** I don't know if the Town of Sunset Beach has informed the NC Department of Environmental Quality of Councilman Corbett's potential conflict of interest.

Richard Hilderman, Ph.D.

**From:** Edwin W Janes  
**To:** [Corley.cordeiro@ncdenr.gov](mailto:Corley.cordeiro@ncdenr.gov)  
**Cc:** [Whaley, Rex A](#); [Regan, Michael S](#)  
**Subject:** [External] Best Use of Limited Grant funds  
**Date:** Saturday, February 23, 2019 4:41:15 PM

**CAUTION:** External email. Do not click links or open attachments unless you verify. Send all suspicious email as an attachment to [report.spam@nc.gov](mailto:report.spam@nc.gov)

Dear Dr. Cordiero,

Respectfully I would ask you to consider two important **realities** concerning The Town of Sunset Beach's recent request to update a previously submitted Grant Request for dredging.

1. In just this last year the Town of Sunset Beach has had the Town Administrator fired, Finance Director quit, two Mayors have resigned, an overwhelming number of split 3-2 Council votes on the most important issues, two accusations of workplace violence at Town Hall, accusations of Councilmen conflict/ or appearance of conflict of interest, last week a Councilman escorted from a public council meeting by The Chief of Police, and a growing Brunswick County reputation for a chaotic, dysfunctional Town Council. Evidence of this behavior is easily seen on the Town website U Tube videos link and in the frequent columns and letters in *The Brunswick Beacon* newspaper.

2. With more than 3000 properties in the Town Limits, and just 300 with waterfront potential dredge implications, and far fewer than 50 boats, registered or not, the element of Conflict of Interest, or the mere Appearance of Conflict of Interest, as expressed in the very detailed and comprehensive language in the Grant Process that you represent- Conflict of Interest should be a concern in the allocation of NC Taxpayer funded grant monies.

It seems in all fairness like there is a judgment call here as to which communities should receive limited Grant funds this time around.

If the funds are limited, perhaps at this particular chaotic time, the Town of Sunset Beach should wait its turn for a more appropriate environment that reconciles the above two concerns.

Respectfully,  
Edwin W. Janes II  
403 37th Street  
Sunset Beach, NC 28468  
443 987 7582 cell

**From:** mary speth  
**To:** [Corley.cordeiro@ncdenr.gov](mailto:Corley.cordeiro@ncdenr.gov); [Regan, Michael S](#); [Whaley, Rex A](#)  
**Subject:** [External] Taxpayer Supported Grant Funds  
**Date:** Sunday, February 24, 2019 1:19:23 PM

**CAUTION:** External email. Do not click links or open attachments unless you verify. Send all suspicious email as an attachment to [report.spam@nc.gov](mailto:report.spam@nc.gov)

Dear Dr Cordeiro

I write today as a North Carolina taxpayer concerned about the effective distribution this year of limited Grant funds. The Town of Sunset Beach Council allowed your previous Grant extension to expire last June without timely informing the taxpayers, and now you have before you a renewed request. In the mean time the cost of the proposed dredge work has increased approximately 30%.

As a homeowner and taxpayer at Sunset Beach it is no secret that we presently have a dysfunctional Town Council that is making headlines regularly in Brunswick County's paper *The Beacon*. In the past year we have had 2 mayors and the Finance Director quit, the Town Administrator quit, accusations of workplace violence, a councilman escorted from chambers by the Chief of Police, and a growing awareness of chaos- much of it surrounding the very expensive dredge proposal.

A small group of property/boat owners and a developer who has promised deep water yachting access to the ICWW are advocating for unprecedented dredging in a tidal marsh estuary and are the cause of too many split 3-2 votes among 5 council members. With at least one council member with property directly involved with this Grant, and a developer who has advertised lots as deep water access, and with pictures of deep draft boats, there is an element of conflict of interests and the appearance thereof. The Grant process that you supervise has comprehensive and very demanding, specific verbiage concerning conflict of interest details.

At Sunset Beach there are about 300 water property lots potentially affected by the Grant request before you. Even if these owners pay their share of this initial Grant proposal, additional future, mandatory dredging costs will be substantial and expose the other 3000 plus Sunset Beach lot taxpayers, and potentially all NC taxpayers, to underwriting the future for the few.

In short All North Carolina taxpayers have skin in this game. What other communities are deserving of Grant money this year? Until and unless The Town of Sunset Beach, some 4000 residents, can work through the chaos of Council and the fiduciary responsibilities that presently escape them, it seems to me that the State of North Carolina should consider carefully the awarding of Grant Money to communities more deserving this year.

Respectfully,

Mary R. Speth  
home owner Sunset Beach, NC  
443 472 0181 cell



**From:** gmerr946@aol.com  
**To:** [Corley.cordeiro@ncdenr.gov](mailto:Corley.cordeiro@ncdenr.gov)  
**Cc:** [Whaley, Rex A; Regan, Michael S](#)  
**Subject:** [External] Sunset Beach  
**Date:** Sunday, February 24, 2019 5:33:20 PM  
**Attachments:** [Dear residents of Sunset Beach.docx](#)

---

**CAUTION:** External email. Do not click links or open attachments unless you verify. Send all suspicious email as an attachment to [report.spam@nc.gov](mailto:report.spam@nc.gov)

Dear Dr. Cordiero,  
Attached is a letter to the editor of the Brunswick Beacon. Hopefully it will appear in this weeks issue. I am not sure if you read The Beacon, but wanted you to know my thoughts.

Thank you for your attention,

Gary Merritt  
646 Oyster Bay Drive  
Sunset Beach, N.C, 28468  
336.829.0102

Dear residents of Sunset Beach,

In just one year we have had the Town Administrator fired, two Mayors resigned, two accusations of workplace violence, accusations of council members having a conflict of interest and a council member escorted from a meeting in our Sunset Beach Town Council. It would appear we have a chaotic, dysfunctional Town Council!

Currently the council is debating the pros and cons of a major dredging project with a cost to taxpayers of \$1,878,188.66 along with a State/Federal Grant of \$3,756,436.34 (referred to by one council member as "free money"). The project costs have gone up 35% in just two years. There are many differences of opinion from the consultants M&N and scientists that have never been resolved regarding the impact of the project. At no time has the council addressed the costs to taxpayers for future maintenance of the dredged areas even though the consultant has said the areas will require maintenance in 3-5 years.

The dissention and conflict have led to one council member blocking emails from at least one resident and another referring to emails as "rants" and stating in response to a question "I chose not to respond to your question."

My question is why should a chaotic dysfunctional group of five council members have the power to go forward with such a controversial expensive project and potentially obligate all taxpayers for the ongoing costs of maintenance when the direct benefits only affect less than 350 residents?

Gary Merritt

Sunset Beach, N.C.

**From:** [Whaley, Rex A](#)  
**To:** [Peterson, Kyle R](#); [Mack, Janet](#)  
**Subject:** FW: [External] Taxpayer Supported Grant Funds  
**Date:** Monday, February 25, 2019 12:07:00 PM

---

One more email regarding Sunset Beach.. Thanks. Rex.

**From:** mary speth <iamreesy@yahoo.com>  
**Sent:** Sunday, February 24, 2019 1:19 PM  
**To:** Corley.cordeiro@ncdenr.gov; Regan, Michael S <Michael.Regan@ncdenr.gov>; Whaley, Rex A <rex.whaley@ncdenr.gov>  
**Subject:** [External] Taxpayer Supported Grant Funds

**CAUTION:** External email. Do not click links or open attachments unless you verify. Send all suspicious email as an attachment to [report.spam@nc.gov](mailto:report.spam@nc.gov)

Dear Dr Cordeiro

I write today as a North Carolina taxpayer concerned about the effective distribution this year of limited Grant funds. The Town of Sunset Beach Council allowed your previous Grant extension to expire last June without timely informing the taxpayers, and now you have before you a renewed request. In the mean time the cost of the proposed dredge work has increased approximately 30%.

As a homeowner and taxpayer at Sunset Beach it is no secret that we presently have a dysfunctional Town Council that is making headlines regularly in Brunswick County's paper *The Beacon*. In the past year we have had 2 mayors and the Finance Director quit, the Town Administrator quit, accusations of workplace violence, a councilman escorted from chambers by the Chief of Police, and a growing awareness of chaos- much of it surrounding the very expensive dredge proposal.

A small group of property/boat owners and a developer who has promised deep water yachting access to the ICWW are advocating for unprecedented dredging in a tidal marsh estuary and are the cause of too many split 3-2 votes among 5 council members. With at least one council member with property directly involved with this Grant, and a developer who has advertised lots as deep water access, and with pictures of deep draft boats, there is an element of conflict of interests and the appearance thereof. The Grant process that you supervise has comprehensive and very demanding, specific verbiage concerning conflict of interest details. At Sunset Beach there are about 300 water property lots potentially affected by the Grant request before you. Even if these owners pay their share of this initial Grant proposal, additional future, mandatory dredging costs will be substantial and expose the other 3000 plus Sunset Beach lot taxpayers, and potentially all NC taxpayers, to underwriting the future for the few.

In short All North Carolina taxpayers have skin in this game. What other communities are deserving of Grant money this year? Until and unless The Town of Sunset Beach, some 4000 residents, can work through the chaos of Council and the fiduciary responsibilities that presently escape them, it seems to me that the State of North Carolina should consider carefully the awarding of Grant Money



to communities more deserving this year.

Respectfully,

Mary R. Speth  
home owner Sunset Beach, NC  
443 472 0181 cell

## Lisa Anglin

---

**From:** Whaley, Rex A  
**Sent:** Monday, February 25, 2019 12:08 PM  
**To:** Peterson, Kyle R; Mack, Janet  
**Subject:** FW: [External] Sunset Beach  
**Attachments:** Dear residents of Sunset Beach.docx

One more email regarding Sunset Beach. Thanks. Rex.

---

**From:** gmerr946@aol.com <gmerr946@aol.com>  
**Sent:** Sunday, February 24, 2019 5:33 PM  
**To:** Corley.cordeiro@ncdenr.gov  
**Cc:** Whaley, Rex A <rex.whaley@ncdenr.gov>; Regan, Michael S <Michael.Regan@ncdenr.gov>  
**Subject:** [External] Sunset Beach

**CAUTION:** External email. Do not click links or open attachments unless you verify. Send all suspicious email as an attachment to [report.spam@nc.gov](mailto:report.spam@nc.gov)

Dear Dr. Cordiero,  
Attached is a letter to the editor of the Brunswick Beacon. Hopefully it will appear in this weeks issue. I am not sure if you read The Beacon, but wanted you to know my thoughts.

Thank you for your attention,

Gary Merritt  
646 Oyster Bay Drive  
Sunset Beach, N.C, 28468  
336.829.0102

**From:** [Whaley, Rex A](#)  
**To:** [Peterson, Kyle R](#); [Mack, Janet](#)  
**Subject:** FW: [External] Best Use of Limited Grant funds  
**Date:** Monday, February 25, 2019 12:07:00 PM

---

One more email regarding Sunset Beach. Thanks. Rex.

**From:** Edwin W Janes <ewjanes@yahoo.com>  
**Sent:** Saturday, February 23, 2019 4:41 PM  
**To:** Corley.cordeiro@ncdenr.gov  
**Cc:** Whaley, Rex A <rex.whaley@ncdenr.gov>; Regan, Michael S <Michael.Regan@ncdenr.gov>  
**Subject:** [External] Best Use of Limited Grant funds

**CAUTION:** External email. Do not click links or open attachments unless you verify. Send all suspicious email as an attachment to [report.spam@nc.gov](mailto:report.spam@nc.gov)

Dear Dr. Cordiero,

Respectfully I would ask you to consider two important **realities** concerning The Town of Sunset Beach's recent request to update a previously submitted Grant Request for dredging.

1. In just this last year the Town of Sunset Beach has had the Town Administrator fired, Finance Director quit, two Mayors have resigned, an overwhelming number of split 3-2 Council votes on the most important issues, two accusations of workplace violence at Town Hall, accusations of Councilmen conflict/ or appearance of conflict of interest, last week a Councilman escorted from a public council meeting by The Chief of Police, and a growing Brunswick County reputation for a chaotic, dysfunctional Town Council. Evidence of this behavior is easily seen on the Town website U Tube videos link and in the frequent columns and letters in *The Brunswick Beacon* newspaper.
2. With more than 3000 properties in the Town Limits, and just 300 with waterfront potential dredge implications, and far fewer than 50 boats, registered or not, the element of Conflict of Interest, or the mere Appearance of Conflict of Interest, as expressed in the very detailed and comprehensive language in the Grant Process that you represent- Conflict of Interest should be a concern in the allocation of NC Taxpayer funded grant monies.

It seems in all fairness like there is a judgment call here as to which communities should receive limited Grant funds this time around.

If the funds are limited, perhaps at this particular chaotic time, the Town of Sunset Beach should wait its turn for a more appropriate environment that reconciles the above two concerns.

Respectfully,  
Edwin W. Janes II  
403 37th Street  
Sunset Beach, NC 28468



443 987 7582 cell

**From:** [Whaley, Rex A](#)  
**To:** [Peterson, Kyle R](#); [Mack, Janet](#)  
**Subject:** FW: [External] Sunset Beach  
**Date:** Monday, February 25, 2019 12:08:00 PM  
**Attachments:** [Dear residents of Sunset Beach.docx](#)

---

One more email regarding Sunset Beach. Thanks. Rex.

**From:** gmerr946@aol.com <gmerr946@aol.com>  
**Sent:** Sunday, February 24, 2019 5:33 PM  
**To:** Corley.cordeiro@ncdenr.gov  
**Cc:** Whaley, Rex A <rex.whaley@ncdenr.gov>; Regan, Michael S <Michael.Regan@ncdenr.gov>  
**Subject:** [External] Sunset Beach

**CAUTION:** External email. Do not click links or open attachments unless you verify. Send all suspicious email as an attachment to [report.spam@nc.gov](mailto:report.spam@nc.gov)

Dear Dr. Cordiero,  
Attached is a letter to the editor of the Brunswick Beacon. Hopefully it will appear in this weeks issue. I am not sure if you read The Beacon, but wanted you to know my thoughts.

Thank you for your attention,

Gary Merritt  
646 Oyster Bay Drive  
Sunset Beach, N.C, 28468  
336.829.0102

**From:** [Peterson, Kyle R](#)  
**To:** [Cooper, Michael](#); [Thorpe, Megan S](#)  
**Subject:** more sunset beach  
**Date:** Monday, February 25, 2019 12:43:15 PM  
**Attachments:** [FW External Sunset Beach.msg](#)  
[FW External Taxpayer Supported Grant Funds.msg](#)  
[FW External Best Use of Limited Grant funds.msg](#)

---

FYI – more coming in on sunset

Kyle Peterson  
Assistant General Counsel  
N.C. Dept. of Environmental Quality  
Mailing Address: 1601 Mail Service Center, Raleigh, NC 27699-1601  
Phone: (919) 707-8531



**From:** [Lance, Kathleen C](#)  
**To:** [Cooper, Michael](#); [Cordeiro, Coley H](#)  
**Cc:** [Peterson, Kyle R](#); [Perry, Landon O](#); [Hargrove, Andrew D](#); [Gregson, Jim](#); [Culpepper, Linda](#); [Whaley, Rex A](#)  
**Subject:** FW: [External] Sunset Beach  
**Date:** Friday, March 1, 2019 4:00:57 PM  
**Attachments:** [Dear residents of Sunset Beach.docx](#)  
[image001.png](#)

---

**Kathleen C. Lance**

Special Assistant to Secretary Michael S. Regan  
North Carolina Department of Environmental Quality

(919) 707-8661 office  
(919) 368-4310 mobile  
[kathleen.lance@ncdenr.gov](mailto:kathleen.lance@ncdenr.gov)

217 West Jones Street  
1601 Mail Service Center  
Raleigh, NC 27699



*Email correspondence to and from this address is subject to the North Carolina Public Records Law and may be disclosed to third parties.*

**From:** gmerr946@aol.com <gmerr946@aol.com>  
**Sent:** Sunday, February 24, 2019 5:33 PM  
**To:** [Corley.cordeiro@ncdenr.gov](mailto:Corley.cordeiro@ncdenr.gov)  
**Cc:** [Whaley, Rex A <rex.whaley@ncdenr.gov>](mailto:Whaley, Rex A <rex.whaley@ncdenr.gov>); [Regan, Michael S <Michael.Regan@ncdenr.gov>](mailto:Regan, Michael S <Michael.Regan@ncdenr.gov>)  
**Subject:** [External] Sunset Beach

**CAUTION:** External email. Do not click links or open attachments unless you verify. Send all suspicious email as an attachment to [report\\_spam@nc.gov](mailto:report_spam@nc.gov)

Dear Dr. Cordiero,  
Attached is a letter to the editor of the Brunswick Beacon. Hopefully it will appear in this weeks issue. I am not sure if you read The Beacon, but wanted you to know my thoughts.

Thank you for your attention,

Gary Merritt  
646 Oyster Bay Drive  
Sunset Beach, N.C, 28468  
336.829.0102



**From:** rcerrato@sunsetbeachnc.gov  
**To:** Corley.cordeiro@ncdenr.gov  
**Cc:** Regan, Michael S; Whaley, Rex A; Davis, Braxton C  
**Subject:** [External] Sunset Beach Dredging Grant Request  
**Date:** Sunday, March 10, 2019 10:00:16 PM  
**Attachments:** Dear Dr.doc

---

**CAUTION:** External email. Do not click links or open attachments unless you verify. Send all suspicious email as an attachment to [report.spam@nc.gov](mailto:report.spam@nc.gov)

Dr. Cordeiro,  
RE: Sunset Beach Dredging grant request:

For your review and consideration.

Thank-you!  
Councilman Rich Cerrato,  
Sunset Beach  
910-579-1418



Virus-free. [www.avast.com](http://www.avast.com)

**From:** [Lance, Kathleen C](#)  
**To:** [Cordeiro, Coley H](#)  
**Cc:** [Whaley, Rex A](#); [Cooper, Michael](#)  
**Subject:** FW: [External] Sunset Beach Dredging Grant Request  
**Date:** Monday, March 11, 2019 8:24:10 AM  
**Attachments:** [Dear Dr.doc](#)  
[image001.png](#)

---

Kathleen C. Lance  
Special Assistant to Secretary Michael S. Regan  
North Carolina Department of Environmental Quality

(919) 707-8661 office  
(919) 368-4310 mobile  
[kathleen.lance@ncdenr.gov](mailto:kathleen.lance@ncdenr.gov)

217 West Jones Street  
1601 Mail Service Center  
Raleigh, NC 27699



*Email correspondence to and from this address is subject to the North Carolina Public Records Law and may be disclosed to third parties.*

**From:** [rcerrato@sunsetbeachnc.gov](mailto:rcerrato@sunsetbeachnc.gov) [mailto:[rcerrato@sunsetbeachnc.gov](mailto:rcerrato@sunsetbeachnc.gov)]  
**Sent:** Sunday, March 10, 2019 10:00 PM  
**To:** [Corley.cordeiro@ncdenr.gov](mailto:Corley.cordeiro@ncdenr.gov)  
**Cc:** Regan, Michael S <[Michael.Regan@ncdenr.gov](mailto:Michael.Regan@ncdenr.gov)>; Whaley, Rex A <[rex.whaley@ncdenr.gov](mailto:rex.whaley@ncdenr.gov)>; Davis, Braxton C <[Braxton.Davis@NCDENR.Gov](mailto:Braxton.Davis@NCDENR.Gov)>  
**Subject:** [External] Sunset Beach Dredging Grant Request  
**Importance:** High

**CAUTION:** External email. Do not click links or open attachments unless you verify. Send all suspicious email as an attachment to [report.spam@nc.gov](mailto:report.spam@nc.gov)

Dr. Cordeiro,  
RE: Sunset Beach Dredging grant request:

For your review and consideration.



Thank-you!  
Councilman Rich Cerrato,  
Sunset Beach  
910-579-1418



Virus-free. [www.avast.com](http://www.avast.com)

March 10, 2019

Dear Dr. Cordeiro,

My name is Rich Cerrato and I am a council-member in Sunset Beach. I am strongly opposed the Sunset Beach dredging grant request before you at this time.

Excluding the environment and scientific warnings presented before the council by distinguished scientist, who have advised the council not to dredge areas that have not been previously dredged. This recommendation was also reinforced by the State's Scoping Committee. To me, this has once again surfaced the potential conflict of issue concerns, that I have questioned to be examined only to be ignored. The outline below can be substantiated by public records and are as follows:

1. The mandated dredging program was proposed by a developer in order to have uninterrupted deep water access to the ICWW for his development.
2. The CAMA Representative at the time also approved and supported this concept. As a newly elected council member I met with Dr. Braxton Davis in early January 2016 and requested this employee be removed from their Sunset Beach responsibilities due to the appearance of a conflict of interest with the developer and also for exceeding their authority. Dr. Braxton Davis agreed.

3. The mandated dredging program was approved by the Council without any citizen input or detailed public discussions.
4. The former Mayor at the time who also owned a real-estate firm on the barrier island was also known to have both direct and indirect business arrangements with the developer. I also would like add that the Mayor at that time stated to me that he was not pleased with my request when Dr. Davis reassigned the CAMA Representative.
5. There were also two council council-members that appeared to have a conflict of interests during these proceedings. I say this because according to the Chief Real-estate Appraiser for Brunswick County; “Uninterrupted deep water access could increase home sales values by 20%” to include the planned developer’s property. Moreover, this decision would also directly financially benefit two Council-members.
6. According to Brunswick County boat registration records, there are only 13 residents of the 350 impacted owners that own boats.
7. A great percentage of the impacted owners live on narrow canals and are prohibited from purchasing larger boats. As a result, they have small boats or kayaks.

I am also extremely pleased that the new dredging grant request now includes conflict of interest concerns. During my professional career and among my many responsibilities as a Human Resources Director for a major educational and research institute was to ensure that conflict of activities were either prevented or immediately addressed when discovered. Needless to say when discovered serious disciplinary actions were enacted up to including employment termination.

Both professionally and personally, I find allocating several million dollars of state grant funds that only benefits a local developer, former and current local public officials and a tiny fraction ( $< 1\%$ ) of the of the households in Sunset Beach) an abuse of authority that requires a detailed investigation before this grant is approved.

If I can be of any further assistance, please do not hesitate to contact me.

Councilman Rich Cerrato  
Sunset Beach NC  
910-579-1418



**From:** gmerr946@aol.com  
**To:** richardhilderman@gmail.com; doggenome@gmail.com  
**Cc:** Davis, Braxton C; Corley.cordeiro@ncdenr.gov; ljpietra@ncsu.edu; editor@brunswickbeacon.com  
**Subject:** [External] Re: 2018 Dredging Grant Application  
**Date:** Wednesday, February 20, 2019 5:38:33 PM

**CAUTION:** External email. Do not click links or open attachments unless you verify. Send all suspicious email as an attachment to [report.spam@nc.gov](mailto:report.spam@nc.gov)

When I read the "No Conflict of Interest Certification" signed by Hiram Marziano It is impossible for any person with average intelligence not to see the conflict of interest for John Corbett (Sunset Beach Council Member) who lives on one of the proposed areas to be dredged!

I have been told personally by another Council member the known estimated increase in property values for owners adjacent to the dredged areas to provide deep water access for boats up to 35' is +20%.

I have also been told by a Council member the costs both immediate and future would be paid by residents directly adjacent to the dredged area. Why then, under "Financial Resources" does the request mention *"....in addition to the Town's contribution"*. Better known as Taxes from all residents.

Just questions that need to be addressed in my opinion.

Respectfully,  
Gary Merritt  
646 Oyster Bay Drive, 28468  
336.829.0102

-----Original Message-----

From: Richard Hilderman <richardhilderman@gmail.com>  
To: Richard Hilderman <doggenome@gmail.com>  
Cc: Davis, Braxton C <braxton.davis@ncdenr.gov>; Corley.cordeiro <Corley.cordeiro@ncdenr.gov>; Len Pietrafesa <ljpietra@ncsu.edu>; Editor <editor@brunswickbeacon.com>  
Sent: Wed, Feb 20, 2019 1:53 pm  
Subject: 2018 Dredging Grant Application

Council Members,

In 2016 the Town of SSB obtained a matching grant for the proposed dredging project from the State of NC where the State would pay 2/3 and the Town would pay 1/3. In 2017 the Town of SSB requested an extension of the grant which was granted. In 2018 the Town of SSB did not request an extension. Thus in November, 2018 the Town of SSB submitted a new grant for the dredging project which is currently pending.

There are at least three major differences between the 2016 grant and the pending 2018 proposal.

1. The 2018 proposal does not include dredging of North Jinks Creek. The 2016 grant was for dredging Mary's/Turtle Creek, feeder/finger canal system, Canal Bay Area and ALL of Jinks Creek. The 2018 proposal is for dredging Mary's/Turtle Creek, feeder/finger canal system, Canal Bay Area and only South Jinks Creek.
2. The total cost of the 2018 proposal increased by 35% over the 2016 grant (\$5,634,625 to \$4,168,990) even though dredging of North Jinks Creek is not part of the 2018 proposal. The increase in the various budget categories in the 2018 proposal are:
  - a. Design-38%
  - b. Permitting-83%
  - c. Survey-no funding requested in 2016 but in 2018 \$120,000 is requested
  - d. Construction oversight-59%
  - e. Construction-32%

3. It appears the 2018 match is 50-50 match instead of a 2/3-1/3 (see attached 2018 proposal).

Shouldn't the taxpayers of SSB be given an explanation for this increase of cost especially considering that North Jinks Creek is not part of the 2018 proposal. In conversation with Councilman Cerrato I know he is attempting to get answers for the taxpayers. Hopefully the other four members of the council agree that the taxpayers have a right to know.

Richard Hilderman, Ph.D.

**From:** [Lance, Kathleen C](#)  
**To:** [Cordeiro, Coley H](#)  
**Subject:** FW: [External] Taxpayer Supported Grant Funds  
**Date:** Sunday, February 24, 2019 5:11:00 PM  
**Attachments:** [image001.png](#)

---

**Kathleen C. Lance**

Special Assistant to Secretary Michael S. Regan  
North Carolina Department of Environmental Quality

(919) 707-8661 office  
(919) 368-4310 mobile  
[kathleen.lance@ncdenr.gov](mailto:kathleen.lance@ncdenr.gov)

217 West Jones Street  
1601 Mail Service Center  
Raleigh, NC 27699



*Email correspondence to and from this address is subject to the  
North Carolina Public Records Law and may be disclosed to third parties.*

**From:** mary speth <iamreesy@yahoo.com>  
**Sent:** Sunday, February 24, 2019 1:19 PM  
**To:** Corley.cordeiro@ncdenr.gov; Regan, Michael S <Michael.Regan@ncdenr.gov>; Whaley, Rex A <rex.whaley@ncdenr.gov>  
**Subject:** [External] Taxpayer Supported Grant Funds

**CAUTION:** External email. Do not click links or open attachments unless you verify. Send all suspicious email as an attachment to [report.spam@nc.gov](mailto:report.spam@nc.gov)

Dear Dr Cordeiro

I write today as a North Carolina taxpayer concerned about the effective distribution this year of limited Grant funds. The Town of Sunset Beach Council allowed your previous Grant extension to expire last June without timely informing the taxpayers, and now you have before you a renewed request. In the mean time the cost of the proposed dredge work has increased approximately 30%.

As a homeowner and taxpayer at Sunset Beach it is no secret that we presently have a dysfunctional Town Council that is making headlines regularly in Brunswick County's paper *The Beacon*. In the past

year we have had 2 mayors and the Finance Director quit, the Town Administrator quit, accusations of workplace violence, a councilman escorted from chambers by the Chief of Police, and a growing awareness of chaos- much of it surrounding the very expensive dredge proposal.

A small group of property/boat owners and a developer who has promised deep water yachting access to the ICWW are advocating for unprecedented dredging in a tidal marsh estuary and are the cause of too many split 3-2 votes among 5 council members. With at least one council member with property directly involved with this Grant, and a developer who has advertised lots as deep water access, and with pictures of deep draft boats, there is an element of conflict of interests and the appearance thereof. The Grant process that you supervise has comprehensive and very demanding, specific verbiage concerning conflict of interest details. At Sunset Beach there are about 300 water property lots potentially affected by the Grant request before you. Even if these owners pay their share of this initial Grant proposal, additional future, mandatory dredging costs will be substantial and expose the other 3000 plus Sunset Beach lot taxpayers, and potentially all NC taxpayers, to underwriting the future for the few.

In short All North Carolina taxpayers have skin in this game. What other communities are deserving of Grant money this year? Until and unless The Town of Sunset Beach, some 4000 residents, can work through the chaos of Council and the fiduciary responsibilities that presently escape them, it seems to me that the State of North Carolina should consider carefully the awarding of Grant Money to communities more deserving this year.

Respectfully,

Mary R. Speth  
home owner Sunset Beach, NC  
443 472 0181 cell



**Town of Sunset Beach  
Monthly Council  
Work Session, Public Hearing(s) and Regular Meeting  
May 1, 2017**

**MINUTES**

**Members Present:** Mayor Robert Forrester, Mayor Pro-Tem Carol Scott, Councilman Peter Larkin, Councilman Mark Benton, Councilman John Corbett and Councilman Rich Cerrato

**Members absent:** None

**Attorney & Staff Present:** Susan Parker, Town Administrator; Bonita Bray, Finance Director; Kevin Dempsey, Fire Chief; Dustin Graham, Public Works Director; Ken Klamar, Police Chief; Joe Smith, Interim Police Chief; Hiram Marziano, Planning Director; Cindi Stephenson, Administrative Assistant; and Lisa Anglin, Town Clerk

Mayor Forrester called the Meeting to order at 6:00 pm.

**Closed Session**

MAYOR PRO-TEM SCOTT MADE A MOTION TO GO INTO CLOSED SESSION TO DISCUSS A PERSONNEL MATTER. MAYOR FORRESTER CALLED FOR A VOTE AND THE MOTION CARRIED BY UNANIMOUS VOTE.

COUNCILMAN LARKIN MADE A MOTION TO RETURN TO OPEN SESSION AND RECONVENE THE MEETING. MAYOR FORRESTER CALLED FOR A VOTE AND THE MOTION CARRIED BY UNANIMOUS VOTE.

**Work Session**

Mayor Forrester called for agenda amendments and general discussions by the Council.

**Approval of the Draft Agenda**

The Council reviewed the agenda and made the following amendments:

- Moved Dredging Conflict of Interest to Agenda Item 3
- Added Draft Annual Report Discussion
- Revised Board of Adjustment Member Appointment Item to include a Discussion Concerning Member Appointment Process.
- Added Discussion Concerning Code Enforcement Ordinances for Property Upkeep
- Added Discussion Concerning Off Shore Drilling Resolution

COUNCILMAN BENTON MADE A MOTION TO APPROVE THE AGENDA AS AMENDED. MAYOR FORRESTER CALLED FOR A VOTE AND THE MOTION CARRIED BY UNANIMOUS VOTE.

**Mayor and Council Comments/Discussions**

Mayor Forrester informed the audience of two (2) legislation actions that could affect the revenue stream for the Town if passed, - (1) reform concerning the manner in which sales tax funds are disbursed

### **Mayor and Council Comments/Discussions (Cont.)**

throughout the State, and (2) the procedure for determining fire fee rates – square feet or value of structure.

Councilman Corbett thanked the Old Bridge Preservation Society for sponsoring the Wine and Strawberry Festival held in the Town Park over the weekend.

### **Monthly Meeting**

The Meeting convened at 7:00 pm and the Pledge of Allegiance was recited by those in attendance.

### **Public Hearing**

Proposed UDO Amendment Article 6 Section 6.06 (D) MB-1 Mainland Business District

COUNCILMAN CORBETT MADE A MOTION TO OPEN THE PUBLIC HEARING. MAYOR FORRESTER CALLED FOR A VOTE AND THE MOTION CARRIED BY A UNANIMOUS VOTE.

No Comments heard.

COUNCILMAN CERRATO MADE A MOTION TO CLOSE THE PUBLIC HEARING. MAYOR FORRESTER CALLED FOR A VOTE AND THE MOTION CARRIED BY A UNANIMOUS VOTE.

### **Public Comments on Agenda Items Only**

Charles Nern 647 Oyster Bay Drive – Questioned the validity of a letter recently published by the Brunswick Beacon in the “Letter to the Editor” section regarding the proposed dredging project.

### **Discussion Concerning Dredging Conflict of Interest**

Attorney Richardson provided the Council with his opinion concerning the repeated allegations that Councilman Corbett and Mayor Pro-Tem Scott should not be allowed to participate in the deliberations, explorations or vote on the proposed dredging project due to owning property adjacent to the proposed project. Attorney Richardson advised that the law requires that a direct financial gain/benefit be derived from the project in order for either to be able to recuse themselves from voting. Attorney Richardson stated that based on knowledge of the project at this point, it appears that a large group of property owners, if not the entire Town will benefit from the project. Therefore, in accordance with NCGS 160A-75 Voting which states “No member shall be excused from voting except upon matters involving the consideration of the member's own financial interest or official conduct or on matters on which the member is prohibited from voting under G.S. 14-234, 160A-381(d), or 160A-388(e)(2). In all other cases except votes taken under G.S. 160A-385, a failure to vote by a member who is physically present in the council chamber, or who has withdrawn without being excused by a majority vote of the remaining members present, shall be recorded as an affirmative vote” both Mayor Pro-Tem Scott and Councilman Corbett will be required to vote if they are physically present when the vote is taken.

### **Town Administrator Report**

Town Park – Susan Parker, Town Administrator, thanked the Old Bridge Preservation Society for sponsoring the event held in the Town Park over the weekend. Parker advised that the Covered Seating Area will be completed tomorrow. The weekly Farmer’s Market begins this Thursday. The Memorial Day Ceremony is planned for Monday, May 29<sup>th</sup>.

Agency Scoping Meeting – Parker advised that the proposed Dredging project agency scoping meeting is scheduled for Friday, May 5, 2017 at 10:00 am.



### **Departmental Reports**

Police –Police Chief Klamar advised that he is reviewing the department overall and getting acquainted with the operations. Klamar is researching the costs associated with supplying the department with Naloxone (narcane) which is a lifesaving drug for overdose victims that can be administered by both police and fire personnel first responders.

Public Works – Dustin Graham, Public Works Director, advised that the chain link fence has been removed from the Town Park and six (6) additional parking spaces were created. Graham advised that the 10<sup>th</sup> Street Beach Access walkway renovation is underway.

Planning & Inspections – Hiram Marziano, Planning Director, reviewed the Department Report with Council and advised that Staff is reviewing numerous building plans and floodplain permits noting that at least eight (8) homes are currently under construction. Marziano advised that Stanley Dills, new Building Inspector will start on May 4<sup>th</sup>.

Fire – Chief Dempsey advised that the Beach Patrol season started Easter weekend. Dempsey advised Staff will be performing water rescue training this week. Dempsey reminded everyone to replace the batteries in their smoke detectors and to call the Fire Department if they need assistance. Dempsey advised that the new fire truck is in service and invited everyone to come by Station 2 to see it.

Finance – Bonnie Bray, Finance Director, reviewed the March 2017 financial report with the Council. Bray provided the Council with updated 2017/2018 budget information resulting from the prior Budget Workshops held on April 26<sup>th</sup> and 29<sup>th</sup> in advance of the May 4<sup>th</sup> Workshop.

### **Old Business**

#### **Consideration of Approval for Electric Vehicle Charging Station Placement**

Dustin Graham advised that NC DOT has granted permission for BEMC to install an Electric Vehicle Charging Station in their right of way along Sunset Blvd. South near Sunset Properties. The Council requested Staff to contact other communities for regulations to consider.

MAYOR PRO-TEM SCOTT MADE A MOTION TO ALLOW BEMC TO INSTALL AN ELECTRIC VEHICLE CHARGING STATION IN ONE PARKING SPACE ALONG SUNSET BLVD. SOUTH NEAR SUNSET PROPERTIES WITH THE UNDERSTANDING THAT BEMC WILL REMOVE THE STATION IF COUNCIL DEEMS IT NOT SATISFACTORY. MAYOR FORRESTER CALLED FOR A VOTE AND THE MOTION CARRIED BY A UNANIMOUS VOTE.

#### **Consideration of Appointment of Board of Adjustment Members**

The Council directed the Town Clerk to contact each member when their term is expiring to determine interest in reapplying for the position and explaining the process prior to advertising the position.

COUNCILMAN BENTON MADE A MOTION TO REAPPOINT VERONIKA WHITE TO THE BOARD OF ADJUSTMENT WITH A TERM EXPIRATION OF APRIL 2020 AND TO APPOINT BRUCE HOVERMALE WITH A TERM EXPIRATION OF APRIL 2020. MAYOR FORRESTER CALLED FOR A VOTE AND THE MOTION CARRIED BY A UNANIMOUS VOTE.

### **Old Business (Cont.)**

#### **Consideration of Adoption of UDO Ordinance Amendment for Article 6 Section 6.06 (D) MB-1 Mainland Business District**

The Council requested Staff to review the through lot accessory structure restrictions with regard to set-back lines.

COUNCILMAN CORBETT MADE A MOTION TO ADOPT THE ORDINANCE AMENDMENT FOR ARTICLE 6 SECTION 6.06 (D) MB-1 MAINLAND BUSINESS DISTRICT AS PRESENTED. MAYOR FORRESTER CALLED FOR A VOTE AND THE MOTION CARRIED BY A UNANIMOUS VOTE.

#### **Review of Proposed Smoking Areas Designation Policy**

Mayor Pro-Tem Scott requested Council to place this item on the June 5, 2017 Agenda and allow her to provide proposed language for Council consideration. The Council agreed.

#### **Acceptance of ERC Member Resignations and Discussion Concerning ERC**

COUNCILMAN LARKIN MADE A MOTION TO ACCEPT THE RESIGNATIONS OF THE ERC MEMBERS, RICHARD HILDERMAN, JAN HARRIS, NEIL GILBERT, SANDY PAYNE AND GARY MERRITT BUT TO RETAIN THE COMMITTEE AND ITS FORMAT. MAYOR FORRESTER CALLED FOR A VOTE. MAYOR PRO-TEM SCOTT, COUNCILMAN LARKIN AND COUNCILMAN CORBETT VOTED YES. COUNCILMAN BENTON AND COUNCILMAN CERRATO VOTED NO. THE MOTION CARRIED BY A MAJORITY VOTE.

#### **Discussion Concerning Council Attendee for Dredging Scoping Meetings**

MAYOR PRO-TEM SCOTT MADE A MOTION TO SELECT COUNCILMAN LARKIN AND COUNCILMAN BENTON TO ATTEND THE DREDGING SCOPING MEETING. MAYOR FORRESTER CALLED FOR A VOTE AND THE MOTION CARRIED BY A UNANIMOUS VOTE.

#### **Annual Report Discussion**

With the list of Report topics provided, Staff was unable to limit the Report to 4 pages. Mayor Pro-Tem Scott and Councilman Corbett agreed to review and edit the report down to 4 pages.

### **New Business**

#### **Consideration of Acceptance of the Planning Board Recommendation for UDO Amendment Article 9 Performance Standards Section 9.09 Off Street Parking Requirements Subsection D Minimum Number of Required Spaces and Schedule a Public Hearing for June 5, 2017 at 7:00 pm**

MAYOR PRO-TEM SCOTT MADE A MOTION TO ACCEPT THE PLANNING BOARD RECOMMENDATION FOR A UDO AMENDMENT FOR ARTICLE 9, SECTION 9.09 (D) AND TO SCHEDULE A PUBLIC HEARING FOR JUNE 5, 2017 AT 7:00 PM. MAYOR FORRESTER CALLED FOR A VOTE AND THE MOTION CARRIED BY A UNANIMOUS VOTE.

#### **Consideration of Acceptance of the Planning Board Recommendation for UDO Amendment Article 6 Zoning Districts Section 6.04 Table of Permitted/Special Uses and Article 7 Supplemental Regulations Section 7.09 Privacy Fences and Schedule a Public Hearing for June 5, 2017 at 7:00 pm**

COUNCILMAN BENTON MADE A MOTION TO ACCEPT THE PLANNING BOARD RECOMMENDATION FOR A UDO AMENDMENT FOR ARTICLE 6, SECTION 6.04 AND ARTICLE 7, SECTION 7.09 CONCERNING PRIVACY FENCES AND TO SCHEDULE A PUBLIC HEARING FOR JUNE 5, 2017 AT 7:00 PM. MAYOR FORRESTER CALLED FOR A VOTE AND THE MOTION CARRIED BY A UNANIMOUS VOTE.



**New Business (Cont.)**

**Code Enforcement Ordinances Review**

Council requested Staff to review the current Ordinances and determine if additional regulations are needed to strengthen the Town enforcement ability concerning overgrown vegetation, structural issues, and debris.

**Off Shore Drilling Resolution**

The Council discussed a prior Resolution adopted opposing Off Shore Drilling and agreed to re-issue the Resolution in light of current federal and state action to move forward.

**Review upcoming Agenda Items and Identify New Agenda Items for May 16, 2017 Meeting**

MAYOR PRO-TEM SCOTT MADE A MOTION TO CANCEL THE MAY 16, 2017 MEETING. MAYOR FORRESTER CALLED FOR A VOTE AND THE MOTION CARRIED BY A UNANIMOUS VOTE.

**Public Comments**

Karen Joseph 915 Sandpiper Bay Drive – Expressed that sending two (2) Councilmembers to the Scoping Meeting undermines the Town Administrator; stated that the Annual Report is a public relations document; encouraged the Councilmembers to watch the Council meeting on YouTube to hear the microphone issues.

Charles Nern 647 Oyster Bay Drive – Encouraged the Council to follow the Attorney's advice concerning conflict of interest.

**Adjournment**

COUNCILMAN CERRATO MADE A MOTION TO ADJOURN THE MAY 1, 2017 COUNCIL MEETING. MAYOR FORRESTER CALLED FOR A VOTE AND THE MOTION CARRIED BY UNANIMOUS VOTE.

Town of Sunset Beach

*Robert Forrester, Mayor*

Submitted by:

*Lisa Anglin, Town Clerk*

\*The May 1, 2017 Minutes were approved by the Town Council during the June 5, 2017 Meeting.

March 10, 2019

Dear Dr. Cordeiro,

My name is Rich Cerrato and I am a council-member in Sunset Beach. I am strongly opposed the Sunset Beach dredging grant request before you at this time.

Excluding the environment and scientific warnings presented before the council by distinguished scientist, who have advised the council not to dredge areas that have not been previously dredged. This recommendation was also reinforced by the State's Scoping Committee. To me, this has once again surfaced the potential conflict of issue concerns, that I have questioned to be examined only to be ignored. The outline below can be substantiated by public records and are as follows:

1. The mandated dredging program was proposed by a developer in order to have uninterrupted deep water access to the ICWW for his development.
2. The CAMA Representative at the time also approved and supported this concept. As a newly elected council member I met with Dr. Braxton Davis in early January 2016 and requested this employee be removed from their Sunset Beach responsibilities due to the appearance of a conflict of interest with the developer and also for exceeding their authority. Dr. Braxton Davis agreed.

3. The mandated dredging program was approved by the Council without any citizen input or detailed public discussions.
4. The former Mayor at the time who also owned a real-estate firm on the barrier island was also known to have both direct and indirect business arrangements with the developer. I also would like add that the Mayor at that time stated to me that he was not pleased with my request when Dr. Davis reassigned the CAMA Representative.
5. There were also two council council-members that appeared to have a conflict of interests during these proceedings. I say this because according to the Chief Real-estate Appraiser for Brunswick County; "Uninterrupted deep water access could increase home sales values by 20%" to include the planned developer's property. Moreover, this decision would also directly financially benefit two Council-members.
6. According to Brunswick County boat registration records, there are only 13 residents of the 350 impacted owners that own boats.
7. A great percentage of the impacted owners live on narrow canals and are prohibited from purchasing larger boats. As a result, they have small boats or kayaks.



I am also extremely pleased that the new dredging grant request now includes conflict of interest concerns. During my professional career and among my many responsibilities as a Human Resources Director for a major educational and research institute was to ensure that conflict of activities were either prevented or immediately addressed when discovered. Needless to say when discovered serious disciplinary actions were enacted up to including employment termination.

Both professionally and personally, I find allocating several million dollars of state grant funds that only benefits a local developer, former and current local public officials and a tiny fraction ( $< 1\%$ ) of the of the households in Sunset Beach) an abuse of authority that requires a detailed investigation before this grant is approved.

If I can be of any further assistance, please do not hesitate to contact me.

Councilman Rich Cerrato  
Sunset Beach NC  
910-579-1418





---

## Coates' Canons Blog: Conflicts of Interest and Subcontractors

By Eileen R Youens

Article: <https://canons.sog.unc.edu/conflicts-of-interest-and-subcontractors/>

This entry was posted on August 04, 2010 and is filed under Conflicts, Conflicts Of Interest, Ethics & Conflicts, Purchasing, Construction, Property Transactions

---

One of your city council members, Georgia Peach, is a plumber, and owns her own plumbing business, Peaches & Plumbs, LLP. Peaches & Plumbs often subcontracts with one of the bigger and more reputable general contractors in town, Constructive Construction, Inc. Your city is getting ready to renovate the town hall, and, as it turns out, the lowest responsive bid is from Constructive Construction. If you determine that Constructive Contractors is a responsible bidder, can you award the contract to them, knowing that they're likely to subcontract with Peaches & Plumbs? Doesn't that create a conflict for Georgia Peach?

### Legal considerations: G.S. 14-234

First, let's take a look at what I think of as the "self dealing" statute: [G.S. 14-234](#). G.S. 14-234(a)(1) prohibits public officials or employees who are involved in making or administering contracts on behalf of their local government from receiving a direct benefit from those contracts. (G.S. 14-234 has also been the subject of several previous Coates' Canons blog posts, which are listed at the end of this post for ease of reference.) The statute defines the terms "making a contract," "administering a contract," and "direct benefit." Under G.S. 14-234(a1)(3), "making a contract" means that the public official or employee "participates in the development of specifications or terms or in the preparation or award of the contract." And importantly, the statute states that "[a] public officer is also involved in making a contract if the board, commission, or other body of which he or she is a member takes action on the contract, **whether or not the public officer actually participates in that action**, unless the contract is approved under an exception to this section under which the public officer is allowed to benefit and is prohibited from voting." (Emphasis mine.) "Administering a contract" means that the public official or employee "oversees the performance of the contract or has authority to make decisions regarding the contract or to interpret the contract." G.S. 14-234(a1)(2). Clearly, then, Georgia Peach is involved in "making" and "administering" the contract with Constructive Construction, Inc.—even if she doesn't vote on it!

But does she derive a "direct benefit"? Under G.S. 14-234(a1)(4), Georgia will derive a "direct benefit" from the contract with Constructive Construction if she or her husband "(i) has more than a ten percent (10%) ownership or other interest in an entity that is a party to the contract; (ii) derives any income or commission directly from the contract; or (iii) acquires property under the contract."

Remember that we're talking about two separate contracts here: Contract # 1 would be between Constructive Construction and the city, and Contract # 2 would be between Constructive Construction and Peaches & Plumbs. Since Georgia and her husband have no ownership interest in Constructive Construction, she doesn't derive a direct benefit under the first prong of the definition. As for the second prong, Georgia and her husband will also not derive income or commission "directly" from "the" contract—that is, the contract between Constructive Construction and the city. Sure, she'll derive income under Contract # 2—but she'd derive that income *indirectly*—not directly—from Contract # 1. Finally, will she acquire property under the contract? Probably not—again, she will receive income indirectly from Contract # 1 through Contract # 2, but this part of the definition of "direct benefit" is used to address situations where a public officer or employee receives property *other* than money or income from a contract with the public entity he or she serves. (For example, as I discussed in [an earlier post](#), if Georgia Peach bought an old computer from the city, that would be a direct benefit prohibited by G.S. 14-234.) And, again, she's not acquiring property under "the" contract—Contract # 1—but from Contract # 2.

The bottom line is that we don't know if a court would find that the definition of "direct benefit" includes income received by subcontractors. In 2004, the North Carolina Court of Appeals held that there was a violation of G.S. 14-234 where a

county awarded a construction contract to a contractor which then subcontracted the work to the chair of the county board of commissioners. See [Gibbs v. Mayo, 162 N.C.App. 549, 591 S.E.2d 905 \(2004\)](#). However, the case was decided based on an earlier and substantially different version of G.S. 14-234. (This earlier version of G.S. 14-234 did not use the terms "making a contract," "administering a contract," or "direct benefit." Instead it stated that "If any person appointed or elected a commissioner or director to discharge any trust wherein the State or any county, city or town may be in any manner interested shall become an undertaker, or make any contract for his own benefit, under such authority, or be in any manner concerned or interested in making such contract, or in the profits thereof, either privately or openly, singly or jointly with another, he shall be guilty of a misdemeanor.") The facts in that case were pretty unusual, too—the chairman actually performed almost all of the work on the projects in those cases, and the general contractor was listed as the contracting party apparently as a way of "laundering" the contract so it would pass muster under G.S. 14-234. And the North Carolina courts haven't addressed the issue since then.

So, although the city probably can award the contract to Constructive Construction, a court could still find that the subcontracting arrangement with Georgia Peach violates G.S. 14-234(a)(1). (Note that if this was the type of contract where Constructive Construction was required to list its subcontractors on its bid, and Constructive Construction listed Peaches & Plumbs as its plumbing subcontractor, a court may be more likely to find that Peaches & Plumbs would receive a direct benefit from the city's award of Contract # 1 to Constructive Construction.) What's the risk to Georgia if this arrangement violates G.S. 14-234(a)(1)? Well, anyone violating G.S. 14-234 is guilty of a Class 1 misdemeanor (punishable by up to 120 days imprisonment and a fine in an amount left to the judge's discretion), and contracts awarded in violation of G.S. 14-234 are void. G.S. 14-234(e), (f).

### Other legal considerations

Even if G.S. 14-234(a)(1) should turn out not to be a problem here, there are a few other issues that Georgia will need to watch out for. G.S. 14-234(a)(3) prohibits any public officer or employee from asking for or receiving "any gift, favor, reward, service, or promise of reward, including a promise of future employment in exchange for recommending, influencing, or attempting to influence the award of a contract by the public agency he or she serves." (This part of the statute was amended by [Session Law 2010-169](#), signed by the Governor on August 2, 2010.) If Georgia recommends, influences, or attempts to influence the award of the contract to Constructive Construction, does the fact that Constructive Construction has listed her company as a subcontractor on the contract count as a "gift, favor, reward, service, or promise of reward"? Probably not, but under the right set of circumstances, it could look that way. And, again, a violation of G.S. 14-234 is a Class 1 misdemeanor.

[G.S. 14-234.1](#) could also present an issue for Georgia. It prohibits public officials or employees from gaining a "pecuniary interest" or "pecuniary benefit"—or to intentionally aid someone else to gain such an interest or benefit—from non-public information gained through the person's official position. For example, if Georgia acquired some non-public information about this building project through her position on the board, and shared that non-public information with Constructive Construction to make their bid more appealing to the board, that would violate G.S. 14-234.1. Punishment? Another Class 1 misdemeanor.

Finally, even if the contract doesn't violate G.S. 14-234, Georgia may not be able to vote on the contract under the voting statute, [G.S. 160A-75](#) ([G.S. 153A-44](#) for counties). I won't discuss this further here, because my colleague Frayda Bluestein wrote an [excellent blog post](#) about this last year.

### Ethical considerations

Aside from the murkiness of the legal issues here, there's plenty of ethical murkiness to make this situation unappealing. The ethical principles of fairness and impartiality are cornerstones of the public bidding process, and if the city awards the contract to Constructive Construction, and Peaches & Plumbs gets the plumbing subcontract, the other bidders and other plumbing subcontractors may feel that they were treated unfairly because of Peach's position on the board. And can Georgia truly say that her position on the board had nothing to do with Constructive's decision to award the subcontract to her?

### Practical considerations

If Peaches & Plumbs is awarded the subcontract, this will create practical issues as well. Imagine what would happen if





the city awarded the contract to Constructive Construction, and then Constructive Construction and Peaches & Plumbs start having problems with each other. (You know how this goes: Peaches & Plumbs says they aren't getting paid, and Constructive Construction says they won't pay for the slipshod work that they've been seeing from Peaches & Plumbs, and so on.) Where does this put Georgia Peach? In a pickle! Her duties to the board and to her constituents are coming into conflict with her role as the owner of Peaches & Plumbs. This will be uncomfortable for her and for the other board members as well.

## Conclusion

In sum, it's probably smarter for board members and other public officials and employees who are involved in making and awarding contracts on behalf of the entity they serve to avoid subcontracting on contracts with that entity. However, until we know for sure whether a North Carolina court would determine that such subcontracts violate G.S. 14-234, that decision is one that the public official or employee will need to make for himself or herself (in consultation with their attorney). The governing board does not have the authority to reject a bid from the lowest responsive, responsible contractor based solely on the possibility that a public official or employee may be hired as a subcontractor.

For additional reading on this topic, take a look at Fleming Bell's [Construction Contracts with North Carolina Local Governments](#) at pages 40-43.

## Other blog posts discussing G.S. 14-234

[Boards of Health and Conflicts of Interest](#) (Jill Moore 7/1/10)

[Board Members as Employees](#) (Frayda Bluestein 1/6/10)

[Federal Grants and Codes of Conduct](#) (Eileen Youens 11/4/09)

[I Second that Amotion](#) (Frayda Bluestein 10/28/09)

[When can a local government employee or official buy surplus property from the local government? Part 2](#) (Eileen Youens 9/22/09)

[Conflicts of Interest: How Do The Voting Statutes Relate to the Criminal Statute?](#) (Frayda Bluestein 9/9/09)

## Links

- [www.ncga.state.nc.us/EnactedLegislation/Statutes/HTML/BySection/Chapter\\_14/GS\\_14-234.html](http://www.ncga.state.nc.us/EnactedLegislation/Statutes/HTML/BySection/Chapter_14/GS_14-234.html)
- [canons.sog.unc.edu/?p=793](http://canons.sog.unc.edu/?p=793)
- [appellate.nccourts.org/opinions/?c=2&pdf=22332](http://appellate.nccourts.org/opinions/?c=2&pdf=22332)
- [www.ncga.state.nc.us/Sessions/2009/Bills/House/HTML/H961v8.html](http://www.ncga.state.nc.us/Sessions/2009/Bills/House/HTML/H961v8.html)
- [www.ncga.state.nc.us/EnactedLegislation/Statutes/HTML/BySection/Chapter\\_14/GS\\_14-234.1.html](http://www.ncga.state.nc.us/EnactedLegislation/Statutes/HTML/BySection/Chapter_14/GS_14-234.1.html)
- [www.ncga.state.nc.us/EnactedLegislation/Statutes/HTML/BySection/Chapter\\_160A/GS\\_160A-75.html](http://www.ncga.state.nc.us/EnactedLegislation/Statutes/HTML/BySection/Chapter_160A/GS_160A-75.html)
- [www.ncga.state.nc.us/EnactedLegislation/Statutes/HTML/BySection/Chapter\\_153A/GS\\_153A-44.html](http://www.ncga.state.nc.us/EnactedLegislation/Statutes/HTML/BySection/Chapter_153A/GS_153A-44.html)
- [canons.sog.unc.edu/?p=652](http://canons.sog.unc.edu/?p=652)
- [www.sog.unc.edu/publications/books/construction-contracts-nc-local-governments](http://www.sog.unc.edu/publications/books/construction-contracts-nc-local-governments)
- [canons.sog.unc.edu/?p=2709](http://canons.sog.unc.edu/?p=2709)
- [canons.sog.unc.edu/?p=1599](http://canons.sog.unc.edu/?p=1599)
- [canons.sog.unc.edu/?p=1185](http://canons.sog.unc.edu/?p=1185)
- [canons.sog.unc.edu/?p=1139](http://canons.sog.unc.edu/?p=1139)

## Chapter 7

# Ethics and Conflicts of Interest

Frayda S. Bluestein and Norma R. Houston

---

### Ethics in Government: Why It's Important / 115

#### I. Requirements for Local Elected Officials / 116

Ethics Education Requirement / 116

Local Codes of Ethics / 116

Censuring Board Members / 117

#### II. Conflicts of Interest in Voting / 117

The Duty to Vote / 117

What Constitutes Financial Interest / 118

Number of People Affected / 119

Extent of the Financial Interest (Benefit or Detriment) / 119

Likelihood That the Financial Impact Will Actually Occur / 119

### III. Conflicts of Interest in Contracting / 119

Contracts for Personal Benefit / 119

Gifts and Favors / 121

Misuse of Confidential Information / 122

### IV. Conflicts of Interest for Specific Categories of Officials and Public Employees / 122

Building Inspectors / 122

Project Designers / 122

Public Hospital Officials and Employees / 123

Local Management Entity (LME) Board Members / 123

Housing Authorities / 123

### V. Conflicts of Interest Applicable to Federal Grant Funds / 123

---

Additional Resources / 124

About the Authors / 124

---

## Ethics in Government: Why It's Important

The conduct of local government officials and public employees affects public perceptions of and trust in government. Citizens expect local officials and public employees to act in the best interest of the public and not to use their office for their personal benefit. In some cases, laws restrict the conduct of local public officials, but in many cases they have a choice in how to act, for example, when deciding whom to hire, when to contract, and how to vote. North Carolina laws governing the conduct of local officials focus on financial interests in voting and contracting as well as on other ways in which government decision makers might personally benefit from the actions they take. In addition, constitutional due process requirements focus on the need for fair and unbiased decision making when certain types of private rights are at stake.

---

This material is a chapter from the School of Government publication *County and Municipal Government in North Carolina*, Second Edition.

ISBN 978-1-56011-781-0. ©2014 School of Government. The University of North Carolina at Chapel Hill. This document may not be copied or posted online, nor transmitted, in printed or electronic form, without the written permission of the School of Government, except as allowed by fair use under United States copyright law. For questions about use of the document and permission for copying, contact the School of Government at [sales@sog.unc.edu](mailto:sales@sog.unc.edu) or call 919.966.4119.



## I. Requirements for Local Elected Officials

### Ethics Education Requirement

North Carolina law requires elected members of the governing boards of cities and counties, unified governments, consolidated city-counties, sanitary districts, and local boards of education to receive at least two (2) clock hours of ethics education within twelve (12) months after each election or reelection (or appointment or reappointment) to office. The education program must cover laws and principles that govern conflicts of interest and ethical standards of conduct at the local government level; it is designed to focus on both the legal requirements and the ethical considerations so that key governmental decision makers will have the information and insight needed to exercise their authority appropriately and in the public interest. The ethics education requirement is an ongoing obligation triggered by re-election or reappointment to office.<sup>1</sup>

While state law does not require ethics education for local employees and members of local appointed boards (such as boards of adjustment or advisory committees), a local governing board may impose this requirement on these groups under the board's local ethics code or other ordinance or policy.

### Local Codes of Ethics

North Carolina law also requires the governing boards subject to the ethics education requirement to adopt ethics resolutions or policies (often referred to as "codes of ethics") to guide board members in performing their duties.<sup>2</sup> The ethics resolution or policy must address at least five key responsibilities of governing board members enumerated by statute:

1. obey all applicable laws about official actions taken as a board member,
2. uphold the integrity and independence of the office,
3. avoid impropriety in the exercise of official duties,
4. faithfully perform duties,
5. act openly and publicly.

The statute does not impose or authorize sanctions for failure to comply with ethics codes. Boards have no explicit authority to sanction their members as a means of enforcing the ethics code or for other purposes. However, failure to adopt a code or to comply with its provisions may elicit citizen and media criticism and may itself be considered unethical.

As with the ethics education requirement, state law does not require that ethics codes be applied to local employees and members of local appointed boards (such as boards of adjustment or advisory committees), but a local governing board may choose to extend the provisions of its code of ethics to these groups.

Some state government officials and senior employees are subject to the State Government Ethics Act,<sup>3</sup> which establishes ethical standards of conduct for those covered under the act and regulates individuals and entities that seek to influence their actions. The North Carolina State Ethics Commission is responsible for enforcing the act, including investigating alleged violations. Most local government officials and employees are not subject to the State Government Ethics Act by virtue of their local government positions.<sup>4</sup> Consequently, the State Ethics Commission does not have the authority to investigate allegations of unethical conduct by local government officials.

---

1. N.C. Gen. Stat. (hereinafter G.S.) §§ 160A-87 and 153A-53.

2. G.S. 160A-86; G.S. 153A-53.

3. G.S. Chapter 138A.

4. Individual officials and employees may be subject to the act if they also serve in a state level capacity covered under it, such as serving on a covered state board or commission. In addition, voting members of the policy-making boards of Metropolitan Planning Organizations (MPOs) and Rural Transportation Planning Organizations (RPOs) (these boards are often referred to as "transportation advisory committees" or "TACs") are subject to ethics requirements specific to their service on the MPO or RPO TAC (G.S. 136-200.2(g)–(k) for MPOs and G.S. 136-211(f)–(k) for RPOs). For more information about the state ethics and lobbying



## Censuring Board Members

Although state law does not provide specific authority for boards to sanction their members for ethical violations, elected boards do have general authority to pass resolutions or motions, and some boards use a motion or resolution of censure to address ethical or legal transgressions by board members, including violations of the board's code of ethics. This type of censure has no legal effect other than to express dissatisfaction or disapproval by the board (or a majority of the board) of the actions or behavior of one of its members. There are no specific procedural requirements for such an action. The School of Government's model code of ethics includes recommendations for a censure process.<sup>5</sup>

## II. Conflicts of Interest in Voting

Ethical and conflict of interest issues often arise as questions about whether a board member may, must, or must not vote on a particular matter in which he or she has some personal interest. In general, a governing board member has a duty to vote and may be excused from voting only in specific situations as allowed by statute. North Carolina law does not explicitly authorize county or city board members to abstain or recuse themselves from voting. Instead, the statutes describe limited grounds for which a member may be excused from voting.

The statutes governing voting by county and city board members are slightly different, and especially for cities there is some ambiguity about the proper procedure for excusing a member. The county statute, G.S. 153A-44, provides that the board may excuse a member, whereas the city statute, G.S. 160A-75, simply says that a member "may be excused" without specifying who does the excusing. Another important difference is that the city statute enforces the duty to vote by providing that if a person is present at the meeting, does not vote, and has not been excused, the person is considered to have voted "yes." The county statute does not contain this provision. Both statutes are specific, however, about the reasons for which a person may be excused from voting. In addition, three other statutes prohibit board members from voting in situations involving contracting, land use decisions, and quasi-judicial decisions.

## The Duty to Vote

Board members are often advised to avoid even the appearance of a conflict of interest, and in many situations and on many issues a board member may choose to act or to refrain from acting due to a concern about such an appearance. When it comes to voting, however, a board member's duty to vote overrides this choice, in some cases requiring a person to vote, while in only limited circumstances is a person required to refrain from voting. The general voting statutes—Sections 153A-44 (counties) and G.S. 160A-75 (cities) of the North Carolina General Statutes (hereinafter G.S.)—allow governing board members of cities and counties to be excused from voting *only* on matters

1. involving the consideration of the member's own official conduct or financial interest (board member compensation is not considered financial interest or official conduct) or
2. on which the member is prohibited from voting under the following statutes (discussed below):
  - (1) exemptions to the prohibition against directly benefiting under a public contract (G.S. 14-234),
  - (2) zoning matters (G.S. 153A-340(g); G.S. 160A-381(d)), and
  - (3) quasi-judicial decisions (G.S. 153A-345.1; G.S. 160A-388(e2)).

---

laws that apply to state officials, see Norma R. Houston, "State Government Ethics and Lobbying Laws: What Does and Does Not Apply to Local Governments," *Local Government Law Bulletin* No. 135 (March 2014), <http://sogpubs.unc.edu/electronicversions/pdfs/lglb135.pdf>.

5. A. Fleming Bell, II, *A Model Code of Ethics for North Carolina Local Elected Officials* (Chapel Hill: UNC School of Government, 2010), <http://shopping.netsuite.com/s.nl/c.433425/it.A/id.2531/f>.

When there is a question about whether a board member has a conflict of interest in voting, the first thing to determine is what type of matter is involved. Specific statutes govern the standard to be applied, depending on the nature of the matter before the board for decision. The following is a short list of circumstances that will help identify the appropriate standard to apply:

1. If the matter involves a legislative land use matter (such as a rezoning or text amendment), the standard is as follows: a board member *shall not* vote where the outcome of the matter is reasonably likely to have a direct, substantial, and readily identifiable personal financial impact. G.S. 160A-381(d); G.S. 153A-340(g).
2. If the matter involves a quasi-judicial function (such as the issuance of a special use permit or an appeal of a personnel decision), the standard is as follows: a board member *shall not participate or vote* if the member has a fixed opinion (not susceptible to change) prior to the hearing; undisclosed ex parte communications; a close familial, business, or other associational relationship with an affected person; or a financial interest in the outcome. G.S. 153A-345.1; G.S. 160A-388(e2). Note that this provision applies to any person (not just a governing board member) who serves on a board and exercises quasi-judicial functions.
3. If the matter involves a contract from which the member derives a direct benefit (this comes up only if the contract is allowed under an exception to the statute), the standard is as follows: the board member is *prohibited from participating or voting*. G.S. 14-234(b1).
4. For all other matters that come before the governing board for a vote, the standard is as follows: the board member *may be excused* if the matter involves the member's own financial interest or official conduct. G.S. 160A-75; G.S. 153A-44. As noted above, these general voting statutes specifically acknowledge a conflict under any of the other three statutes as grounds for being excused.

Note that each of the first three specific statutes *prohibits* the member from voting. Under the fourth statute, however, it is unclear whether the use of the word “may” in the general voting statutes is intended to make excusing a member from voting optional or whether it simply describes the permissible grounds for being excused.

## What Constitutes Financial Interest

North Carolina courts have often ruled on matters involving conflicts of interest. School of Government Professor Fleming Bell fully explores the case law in *Ethics, Conflicts, and Offices: A Guide for Local Officials*. It's important to note, however, that some conflict of interest cases arise in the context of constitutional due process considerations or contracting issues, matters that are now governed by specific statutes that incorporate the standards from the cases. School of Government Professor David Owens analyzes the case law on conflicts of interest in land use matters in *Land Use Law in North Carolina*.

Other matters are governed by the general voting statutes, which contain the more broadly stated “own financial interest” standard. Several cases involving legislative and administrative decisions suggest that courts use a deferential standard when evaluating what constitutes a financial interest. For example, in *Kistle v. Randolph County*,<sup>6</sup> board members' ownership of property near the area in which a school site was located was considered insufficient to constitute conflict of interest. And in *City of Albermarle v. Security Bank and Trust*,<sup>7</sup> council members' direct ties to competing financial institutions did not require them to abstain from voting on a proposed condemnation of a portion of the bank's land. These holdings seem appropriate given the underlying obligation to vote as well as the usual judicial deference given to local government decisions in the absence of a clear abuse of discretion.

The following factors, based on case law and the statutes, may be useful in determining when a person may be excused from voting under the general voting statutes.

6. 233 N.C. 400 (1951).

7. 106 N.C. App. 75 (1993).

### Number of People Affected

The range of financial impact on board members can be thought of as a continuum based on the extent to which the effect is unique to the board member, on one end of the spectrum, or experienced by many or most citizens, on the other end. If the effect on the board member is the same as the effect on a significant number of citizens, then it is fair to allow the individual to vote. The board member is affected as part of a larger group of citizens, and the vote can serve to represent that group. This is perhaps the most important factor. Even a significant financial effect may not be disqualifying if it is one that is universally or widely experienced by citizens in the jurisdiction.

### Extent of the Financial Interest (Benefit or Detriment)

The general voting statutes refer to financial *interest*, not financial *benefit*, as some of the other statutes do. This means that a positive or a negative financial impact may be a basis for excusing a member from voting. An insignificant financial interest, however, whether positive or negative, is not enough to sway a person's vote and should not be used to avoid the duty to vote. Obviously, the significance of a financial interest must be considered in relation to the individual's particular situation, though it might be assessed based on what a reasonable person would do in that situation.

### Likelihood That the Financial Impact Will Actually Occur

Sometimes several actions in addition to the specific vote in question are needed for an alleged financial interest to materialize. For example, a person who is a real estate agent votes in favor of a loan which will facilitate a project that the real estate agency might have the opportunity to offer for sale. Without more to suggest that the sales opportunity will actually arise and be available to the board member, such a chain of events is probably too speculative to form a basis for being excused from voting.

## III. Conflicts of Interest in Contracting

Several state laws place limits on the ability of elected officials and public employees at the state and local government level<sup>8</sup> to derive personal benefit from contracts with the governmental units they serve. These laws reflect the public's need to ensure that contracting and other decisions are made in a neutral, objective way based on what is in the public interest and not in consideration of actual or potential benefit to the decision maker. However, these laws do not prohibit all activity that the public might consider improper. Instead, they identify particular activities that the legislature has identified as serious enough to constitute a criminal offense. Situations that are not illegal may nonetheless be inappropriate, so public officials should always consider the public perception of their actions in addition to the legal consequences.

### Contracts for Personal Benefit

A criminal statute, G.S. 14-234, prohibits a public officer (elected or appointed) or a public employee from deriving a direct benefit from any contract in which he or she is involved on behalf of the public agency he or she serves. The statute contains two additional prohibitions. Even if a public official or employee is not involved in making a

---

8. While the statutes discussed in this section apply to all state and local government officials and employees, certain senior-level state officials and employees are subject to specific standards of conduct under the State Government Ethics Act, G.S. Chapter 138A. This act does not generally apply to local government officials and employees unless they also serve in a state capacity, such as serving on a state board or commission covered under the act. Similarly, local government officials and employees are generally exempt from G.S. Chapter 120C, which regulates lobbying senior-level state officials and employees.



contract from which he or she will derive a direct benefit, the official or employee is prohibited from influencing or attempting to influence anyone in the agency who is involved in making the contract. In addition, all public officers and employees are prohibited from soliciting or receiving any gift, reward, or promise of reward, including a promise of future employment, in exchange for recommending, influencing, or attempting to influence the award of a contract, even if they do not derive a direct benefit under the contract. Violation of this statute is a Class 1 misdemeanor. Key definitions contained in the statute, along with several important exceptions, are discussed below.

As defined in the statute, a person “derives a direct benefit” from a contract if the person or *his or her spouse* (1) has more than a 10 percent interest in the company that is a party to the contract, (2) derives any income or commission directly from the contract, or (3) acquires property under the contract.<sup>9</sup> Note that while the prohibition includes a direct benefit to a spouse, it does not extend to other family members or friends, or to unmarried partners. If the employee or official or his or her spouse does not derive a direct benefit from it, a contract between a public agency and a family member, friend, or partner of a board member or employee does not violate the law. Another important aspect of the statutory definition is that it does not make illegal a contract with an entity in which a county or city official is an employee as long as no commission or other direct benefit is derived from the contract.

Since the definition of direct benefit includes the acquisition of property, board members and employees who are involved in the disposal of surplus property are prohibited from purchasing that surplus property from their unit of government. Elected and appointed officials (but not employees) may be able to do so if the unit falls within the “small jurisdiction exception” described below.

The law also specifies what it means to be involved in “making or administering” the contract, which is a necessary element in the statutory prohibition. Individuals who are *not* involved in making or administering contracts are not legally prohibited from contracting with their unit of government. Activity that triggers the prohibition includes participating in the development of specifications or contract terms, or preparation or award of the contract, as well as having the authority to make decisions about or interpret the contract.<sup>10</sup> Performing purely ministerial duties is not considered “making or administering” the contract.<sup>11</sup> The statute also makes clear that a person is involved in making the contract when the board or commission on which he or she serves takes action on the contract, even if the official does not participate. Simply being excused from voting on the contract does not absolve a person with a conflict of interest from potential criminal liability. If an exception (discussed below) applies, the interested party may be excused from voting and legally contract with the unit. However, unless an exception applies, simply being excused from voting does not eliminate a conflict under the statute.

As noted above, public officials or employees may legally benefit from a contract with the unit of government they serve as long as they are not involved in making or administering it. Thus, for example, employees who are not involved in disposing of surplus property may legally purchase items from the unit, and the unit may legally contract to acquire goods or services from employees whose county or city job does not involve them in making or administering the contract.

The broad prohibition in G.S. 14-234 is modified by several exceptions. In any case where an exception applies, a public officer who will derive a direct benefit is prohibited from deliberating or voting on the contract or from attempting to influence any other person who is involved in making or administering the contract.<sup>12</sup> Contracts with banks, savings and loan associations, and regulated public utilities are exempt from the limitations in the statute,<sup>13</sup> as are contracts for reimbursement for providing direct assistance under state or federal public assistance programs under certain conditions.<sup>14</sup> An officer or employee may, under another exception, convey property to the unit but only through

9. G.S. 14-234(a1)(4).

10. G.S. 14-234(a1)(2), (3).

11. G.S. 14-234(a1)(5).

12. G.S. 14-234(b1).

13. G.S. 14-234(b)(1).

14. G.S. 14-234(b)(4).

a condemnation proceeding initiated by the unit.<sup>15</sup> An exception in the law also authorizes a county or city to hire as an employee the spouse of a public officer (this exception does not apply to public employees).<sup>16</sup>

A final exception applies only in cities with a population of less than 15,000 and in counties with no incorporated municipality with a population of more than 15,000.<sup>17</sup> In these jurisdictions, governing board members as well as certain members of the social services, local health, or area mental health boards, of the board of directors of a public hospital, and of the local school board may lawfully contract with the units of government they serve, subject to several limitations contained in the exception. First, the contract may not exceed \$20,000 for medically related services and \$40,000 for other goods or services in any twelve-month period (note this requirement specifically applies to any twelve-month period, not necessarily a fiscal year). In addition, the exemption does not apply to any contract that is subject to the competitive bidding laws, which includes purchase and construction or repair contracts with an estimated cost of \$30,000 or more. Contracts made under this exception must be approved by special resolution of the governing board in open session. The statute imposes additional public notice and reporting requirements for these contracts and prohibits the interested board member from participating in the development of or voting on the contract. A contract entered into under the “small jurisdiction” exception that does not comply with all the procedural requirements applicable to this exception violates the statute.

Contracts entered into in violation of G.S. 14-234 violate public policy and are not enforceable. There is no authority to pay for or otherwise perform a contract that violates the statute unless the contract is required to protect the public health or welfare and limited continuation is approved by the Local Government Commission.<sup>18</sup> Prosecutions under the statute are not common (although some have occurred), but situations in which board members or public officials stand to benefit from contracts involving public funds often make headlines.

## Gifts and Favors

Another criminal statute, G.S. 133-32, is designed to prevent the use of gifts and favors to influence the award and administration of public contracts. The statute makes it a Class 1 misdemeanor for a current contractor, a contractor who has performed under a contract with a public agency within the past year, or a person who anticipates bidding on a contract in the future to give any gift or favor to public officials and employees who have responsibility for preparing, awarding, or overseeing contracts, including inspecting construction projects. The statute also makes it a Class 1 misdemeanor for those officials to receive the gift or favor.

The statute does not define gift or favor. A reasonable interpretation is that the prohibition applies to anything of value acquired or received without fair compensation unless it is covered by a statutory exception. These exceptions include advertising items or souvenirs of nominal value, honoraria for participating in meetings, and meals at banquets. Inexpensive pens, mugs, and calendars bearing the name of the donor firm clearly fall within the exception for advertising items and souvenirs. Gifts of a television set, use of a beach cottage, or tickets to a professional sports event probably are prohibited. Although meals at banquets are allowed, free meals offered by contractors under other circumstances, such as lunch, should be refused. Some local governments have adopted local policies establishing a dollar limit for gifts that may be accepted; however, a gift allowed under a local policy must still be refused if it violates state law.

The statute also allows public officials and employees to accept customary gifts or favors from friends and relatives as long as the existing relationship, rather than the desire to do business with the unit, is the motivation for the gift. Finally, the statute specifically does not prohibit contractors from making donations to professional organizations to defray meeting expenses, nor does it prohibit public officials who are members of those organizations from partici-

15. G.S. 14-234(b)(2). The statute specifically authorizes the conveyance to be undertaken under a consent judgment, that is, without a trial, if approved by the court.

16. G.S. 14-234(b)(3).

17. G.S. 14-234(d1). Population figures must be based on the most recent federal decennial census.

18. G.S. 14-234(f).



pating in meetings that are supported by such donations and are open to all members (for example, sponsorship of a conference event that is open to all conference attendees).

It is important to distinguish between gifts to individuals and gifts to the government entity itself. A contractor may legally donate goods and services to the local government for use by the unit. For example, a local business can legally donate products to the unit for its own use or for the unit to raffle to employees for an employee appreciation event. Gifts or favors delivered directly to individuals for their personal use should be returned or, in some cases, may be distributed among employees such that each person's benefit is nominal. The latter approach is common for gifts of food brought to a department by a vendor. Public officials should inform contractors and vendors about the existence of the gifts-and-favors statute and about any local rules in effect within the unit addressing this issue.

## Misuse of Confidential Information

G.S. 14-234.1 makes it a Class 1 misdemeanor for any state or local government officer or employee to use confidential information for personal gain, to acquire a pecuniary benefit in anticipation of his or her own official action, or to help another person acquire a pecuniary benefit from such actions. Confidential information is any non-public information that the officer or employee has learned in the course of performing his or her official duties.

## IV. Conflicts of Interest for Specific Categories of Officials and Public Employees

In addition to the statutes discussed above that apply to all local officials and employees, specific conflict of interest prohibitions apply to certain groups of officials and employees, including those discussed briefly below.

### Building Inspectors

Both city and county building inspectors are prohibited from having a financial interest in or being employed by a business that furnishes labor, materials, or appliances for building construction or repair within the city or county jurisdiction. All employees of city and county inspection departments, including individuals working under contract with those departments, are prohibited from engaging in any work that is inconsistent with their public duties. In addition to these general prohibitions, the statute requires a city or county to find a conflict of interest if the employee (including individuals working under contract with an inspection department) has a financial or business interest in the project being inspected or has a close relationship with or has previously worked within the past two years for the project's owner, developer, contractor, or manager.<sup>19</sup>

### Project Designers

Architects and engineers performing work on public construction projects are prohibited from specifying any materials, equipment, or other items manufactured, sold, or distributed by a company in which the project designer has a financial interest.<sup>20</sup> Project designers are prohibited also from allowing manufacturers to draw specifications for public

19. G.S. 153A-355 (counties) and G.S. 160A-415 (cities).

20. G.S. 133-1.

construction projects.<sup>21</sup> A violation of these restrictions is punishable as a Class 3 misdemeanor; violators lose their licenses for one year and a pay a fine of up to five hundred dollars (\$500).<sup>22</sup>

## Public Hospital Officials and Employees

Boards of directors and employees of public hospitals and hospital authorities and their spouses are prohibited from acquiring a direct or indirect interest in any hospital facility, property planned to be included within a hospital facility, or a contract or proposed contract for materials or services provided to a hospital facility. Limited exceptions to this prohibition apply; a contract entered into in violation of these prohibitions is void and unenforceable.<sup>23</sup>

## Local Management Entity (LME) Board Members

Local management entity (LME) board members cannot contract with their LME for the delivery of mental health, developmental disabilities, and substance abuse services while serving on the board (and are not eligible for board service so long as such a contract is in effect).<sup>24</sup> Nor can an individual who is a registered lobbyist serve on an LME board.

## Housing Authorities

Commissioners and employees of a housing authority, or of a city or county when acting as a housing authority, are prohibited from having or acquiring any direct or indirect interest in any housing project, property included or planned to be included in any project, or a contract or proposed contract for materials or services to be furnished or used in connection with any housing project.<sup>25</sup>

# V. Conflicts of Interest Applicable to Federal Grant Funds

The Grants Management Common Rule (GMCR) is a set of federal regulations that generally apply to the management of federal grant funds and include both specific procurement requirements as well as conflict of interest prohibitions that differ in some ways from state law. Grantees and subgrantees are required to adopt a written code of conduct that (1) addresses real and apparent conflicts of interest, (2) imposes prohibitions against accepting gifts and favors from vendors and contractors, and (3) establishes disciplinary actions for violations. In addition, the GMCR prohibits real or apparent financial or other interests in a contract funded with federal funds by officers, employees, and agents of grantees and subgrantees as well as their spouses, immediate family members, partners, and soon-to-be-employers. Finally, the GMCR prohibits all officers, employees, and agents of grantees and subgrantees from accepting gifts or favors from current or future contractors. A violation of these prohibitions can result in disciplinary action and loss of federal funding. Local governments should consult with the federal granting agency to ensure full compliance with the GMCR or any other federal regulations applicable to federal grant funds.

---

21. G.S. 133-2.

22. G.S. 133-4.

23. G.S. 131E-14.2 (public hospitals) and G.S. 131E-21 (hospital authorities).

24. G.S. 122C-118.1(b).

25. G.S. 157-7.

## Additional Resources

Bell, A. Fleming, II. *Ethics, Conflicts, and Offices: A Guide for Local Officials*. 2nd ed. Chapel Hill: UNC School of Government, 2010.

\_\_\_\_\_. *A Model Code of Ethics for North Carolina Local Elected Officials*. Chapel Hill: UNC School of Government, 2010.

Bluestein, Frayda S. *A Legal Guide to Purchasing and Contracting for North Carolina Local Governments*. 2nd ed. with supplement. Chapel Hill: UNC School of Government, 2007.

Ethics for Local Government Officials, UNC School of Government webpage, [www.sog.unc.edu/programs/ethics](http://www.sog.unc.edu/programs/ethics).

"Ethics & Conflicts." *Coates' Canons: NC Local Government Law Blog*, [canons.sog.unc.edu/?cat=5](http://canons.sog.unc.edu/?cat=5).

Houston, Norma R. "State Government Ethics and Lobbying Laws: What Does and Does Not Apply to Local Governments." *Local Government Law Bulletin* No. 135 (Mar. 2014).

## About the Authors

Frayda S. Bluestein is a School of Government faculty member specializing in local government law. Norma R. Houston is a faculty member of the School of Government and a fellow of the Parr Center for Ethics at UNC Chapel Hill.



## Your Essential Local Government Resource

*County and Municipal Government in North Carolina* provides a comprehensive look at the foundations, legal authority, organization, and administration of the state's counties and cities. Chapters are written by School of Government faculty and other experts in North Carolina local government.

## Your Resource, Your Format

The complete reference book is available in PDF electronic format, and individual chapters are available for purchase at [www.sog.unc.edu/pubs/cmng](http://www.sog.unc.edu/pubs/cmng).

## Stay Current with School of Government Blogs

Faculty members write for a number of School of Government blogs, providing timely updates on emerging issues. The **Coates' Canons: NC Local Government Law** blog disseminates information about a broad range of legal issues affecting local governments and other public agencies in North Carolina. Subscribers receive timely updates on legislation, court cases, and other developments affecting local government law in North Carolina that keep readers up to date between supplements and new editions of this book. Subscribe today at [canons.sog.unc.edu](http://canons.sog.unc.edu).

## Training for Local Government Officials

*Municipal and County Administration* is a comprehensive course designed for city and county officials whose responsibilities require an understanding of local government functions beyond individual areas of specialization.

Held in alternating years, the *Essentials of County Government* and *Essentials of Municipal Government* courses provide newly elected officials, veteran elected officials, managers, and boards a two-day orientation in finance, roles and responsibilities, and the function of their agencies in local government.

The *Public Executive Leadership Academy* provides city and county managers, their assistants, and key department heads the opportunity to learn more about themselves as leaders and to gain skills to lead and manage change in their communities.

For more information on these course offerings, visit [www.sog.unc.edu/courses](http://www.sog.unc.edu/courses).

## About the School of Government

The School of Government at the University of North Carolina at Chapel Hill is the largest university-based local government teaching, advising, and research organization in the United States. Its mission is to improve the lives of North Carolinians by engaging in practical scholarship that helps public officials and citizens understand and improve state and local government.



### Contact the bookstore:

[sales@sog.unc.edu](mailto:sales@sog.unc.edu) or 919.966.4119

### Check for updates to publications:

[www.sog.unc.edu/pubs/updates](http://www.sog.unc.edu/pubs/updates)

### Order online:

[www.sog.unc.edu/pubs](http://www.sog.unc.edu/pubs)



UNC School of Government



@uncsog